

Message Text

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13

ACTION EB-07

INFO OCT-01 EA-09 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01

CIAE-00 CIEP-02 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-15

SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-10 /114 W

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R 160408Z JUL 76

FM AMEMBASSY MANILA

TO USDOC WASHDC

INFO SECSTATE WASHDC 7536

AMEMBASSY BANGKOK

AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY SINGAPORE

UNCLAS MANILA 10404

E.O. 11652: NA

TAGS: ENRG, EIND, BEXP, RP

SUBJ: MAJOR PROJECT: GOP PLANS FOR BLAST FURNACE

1. THE GOP HAS ESTABLISHED A SPECIAL INTERAGENCY COMMITTEE UNDER THE CHAIRMANSHIP OF BOI CHAIRMAN VICENTE T. PATERNO TO UNDERTAKE FEASIBILITY AND GENERAL ENGINEERING STUDIES FOR THE ESTABLISHMENT OF AN INTEGRATED IRON AND STEEL INDUSTRY. AT PRESENT THE NATIONAL STEEL CORPORATION OPERATES A HOT AND A COLD MILL, AND THE ELIZALDE IRON AND STEEL CORPORATION HAS A COLD MILL AND THE COUNTRY'S SOLE TINPLATE PLANT. KAWASAKI IS NOW COMPLETING CONSTRUCTION OF A FIVE MILLION TON CAPACITY IRON ORE SINTERING PLANT NEAR CAGAYAN DE ORO, NORTHERN MINDANAO, WHICH IS SOME 80 KILOMETERS EASTWARD FROM NATIONAL STEEL AT ILIGAN. THE MISSING LINK IN INTEGRATION IS THE BLAST FURNACE.

2. THE PROPOSED BLAST FURNACE WOULD BE LOCATED NEXT TO
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THE KAWASAKI IRON ORE SINTERING PLANT WHICH WOULD FURNISH

THE SINTERED ORE. ITS PROPOSED INITIAL CAPACITY OF 1.25 MILLION TONS REPORTEDLY WILL MEET DOMESTIC REQUIREMENTS FOR SLABS, BILLETS AND OTHER SEMI-FINISHED STEEL PRODUCTS. PRELIMINARY COSTING HAS COME UP WITH AN ESTIMATE OF \$1.2 BILLION WITH COMPLETION IN 1981. A NEW CORPORATION, WHOLLY OWNED BY THE GOP, WILL LIKELY BE CREATED TO OWN AND OPERATE THE PROJECT.

3. THE BLAST FURNACE IS NOT AN ASEAN BUT A "NATIONAL PROJECT" OF THE PHILIPPINES. ANOTHER NATIONAL PROJECT IS THE PETROCHEMICAL COMPLEX (MANILA 8769). THE PHILIPPINES' ASEAN PROJECT IS SUPERPHOSPHATE FERTILIZER.

4. THE PROJECT WOULD REQUIRE FINANCING FROM ABROAD, SPECIALIZED EQUIPMENT, CONSULTANCY AND ENGINEERING SERVICES. U.S. FIRMS INTERESTED IN THE PROJECT SHOULD CONTACT:

DR. ANTONIO Z. ARIZABAL

DIRECTOR, IRON & STEEL AUTHORITY
C/O BOARD OF INVESTMENTS
ORTIGAS AVENUE, PASIG, RIZAL

AND/OR EDUARDO RODRIGUEZ
PRESIDENT, NATIONAL STEEL CORPORATION
P.O. BOX 3821
MANILA
SULLIVAN

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NNN

Message Attributes

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Decapton Note:
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Margaret P. Grafeld
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